REMARKS

The above amendments and these remarks are responsive to the Office Action issued on September 30, 2005. Claims 1-28 are currently pending in this application. By this response, claims 16, 17, 19, 22, 24 and 27 are amended, and claims 14, 18 and 23 are cancelled without prejudice.

The Office Action

The Office Action dated September 30, 2005 replaced a previous office action issued on August 19, 2005 because the previous office action failed to treat all the pending claims. The Office Action rejected claims 1, 4-11, 14-19, 22-23 and 27-28 under 35 U.S.C. §102(b) as allegedly being anticipated by DeTore et al (US Pat No 5,732,397). Claims 2, 12, 13, 20 and 21 were rejected under 35 U.S.C. §103(a) as allegedly being unpatentable over DeTore in view of Toy (US Pat No 4,554,418). Claims 3 stood rejected under 35 U.S.C. §103(a) as allegedly being unpatentable over DeTore in view of Kalmus et al. (US Pat No 4,674,044). Claims 24-26 were rejected under 35 U.S.C. §103(a) as allegedly being unpatentable over DeTore in view of Fernholz (US Pat No 5,819,238). The Examiner objected to claims 16 and 17 for formality reasons.

It is submitted that the claim rejections are overcome and the objection is addressed in view of the amendments and/or remarks presented herein.

The rejection of claims 14, 18 and 23 is moot

By this Response, claims 14, 18 and 23 are cancelled without prejudice. Accordingly, the rejection of claims 14, 18 and 23 is moot.

The anticipation rejection based on DeTore is overcome

The Office Action rejected claims 1, 4-11, 14-19, 22-23 and 27-28 as allegedly being anticipated by DeTore. The anticipation rejection is overcome because DeTore cannot support a prima facie case of anticipation.

Independent claims 1 and 6 are directed to a rule engine that includes an input circuit for receiving at least one transaction, and a storage medium having rules stored thereon. The rules have user-configurable outcomes or scope.

In rejecting claims 1 and 6, the Office Action alleged that DeTore discloses every limitation of the claims. Applicants respectfully disagree.

DeTore descries a system for performing an automated decision-making process. DeTore's system generates a decision by comparing input data with information stored in database 24. The information in database 24 may include rules, variables, such as rates of return, risk tolerance, etc., and may be "modified" from time to time to reflect changing investment strategies and performances. See col. 3, lines 27-36 of DeTore. Although the DeTore disclosure suggests that the information stored in database 24 can be modified, DeTore does **not** specifically teach that the outcomes or application scope of the rules is user-configurable, as described in claims 1 or 6, respectively. Since DeTore fails to disclose every limitation of claims 1 and 6, DeTore cannot support a prima facie case of anticipation. The anticipation rejection of claims 1 and 6 is untenable and should be withdrawn. Favorable reconsideration of claims 1 and 6 is respectfully requested.

Claims 4, 5 and 7-11 depend on claims 1 and 6, respectively, and incorporate every limitations thereof. Consequently, claims 4, 5 and 7-11 also are patentable over DeTore by virtue of their dependencies on claims 1 and 6.

Independent claim 15 describes a method for processing a transaction comprising the step of checking the transaction by applying rules in order of increasing scope.

In rejecting claim 15, the Examiner asserted that DeTore describes first applying machine-implemented rules (step 52), and if the system cannot reach a decision, referring the process to a human decision maker (step 64). However, the passing of a decision making process from a machine to a human being cannot be said to **increase** application scope, as described in claim 15. Accordingly, DeTore does not teach every limitation of claim 15. The anticipation rejection of claim 15 is untenable and should be withdrawn. Favorable reconsideration of claim 15 is respectfully requested.

By this Response, claims 19 and 20 are rewritten into independent form. Similar to claims 1 and 6, claims 19 and 20 describe user-configurable outcomes and application scope, respectively. Accordingly, for at least the same reasons as for claims 1 and 6, claims 19 and 20 are patentable over DeTore. Favorable reconsideration of claims 19 and 20 is respectfully requested.

Independent claim 27 relates to a rule engine including an input circuit for receiving at least one transaction, and a storage medium having at least one rule relating to identification of compliance violations of regulatory requirements related to a transaction. The at least one rule triggers an action for managing risk.

DeTore fails to specifically disclose <u>identification of compliance violations of regulatory requirements related to a transaction</u>, as described in claim 27. Furthermore, it is submitted that DeTore does <u>not</u> teach that an action for managing risk is <u>triggered</u> by the rule. Since DeTore fails to disclose every limitation of claim 27, the anticipation rejection of claim 27 based on DeTore is untenable and should be withdrawn. Favorable reconsideration of claim 27 is respectfully requested.

Claim 28 relates to an apparatus including a client process for generating and sending a transaction containing an order for execution, and at least one rules engine process for receiving said transaction from said client process and applying at least one rule to said transaction. At least one execution process is provided to receive the order from said rules engine process and to execute the order, when the application of at least one rule by said rules engine process results in an approved outcome. A warning is provided to a user about the order when specified by said rule.

In rejecting claim 28, the Examiner asserted that DeTore teaches every limitation of claim 28. However, Applicants noted that the Office Action <u>merely produced arguments for element a of claim 28, **but not for elements b through d**</u>. <u>It is respectfully submitted that the Examiner has not discharged his duty to establish a prima facie case of anticipation</u>. Applicants believe that DeTore fails to teach various features described in claim 28, such as at least one execution process configured to receive the order from said rules engine process and to execute the order, when the application of at least one rule by said rules engine process results in an approved outcome, and providing a warning to a user about the order when specified by said rule. Favorable reconsideration of claim 28 is respectfully requested.

The obviousness rejection based on DeTore and Toy is traversed

Claims 2, 12, 13, 20 and 21 were rejected as allegedly being unpatentable over DeTore in view of Toy. The obviousness rejection is traversed because DeTore and Toy cannot support a prima facie case of obviousness.

Claims 2, 12, 13, 20 and 21, directly or indirectly, depend on claims 1, 6, and 19, respectively. As discussed earlier, DeTore does not disclose every limitation of claims 1, 6 and 19. The other cited document, Toy, was relied on by the Examiner for its purported discussion of providing a notification upon occurrence of particular events. Apparently, DeTore, even if adding the notification feature of Toy, does not meet every limitation of claims 1, 6 and 19. Accordingly, claims 2, 12, 13, 20 and 21 are patentable over the combination of DeTore and Toy by virtue of incorporating features from claims 1, 6 and 19, respectively. Favorable reconsideration of claims 2, 12, 13, 20 and 21 is respectfully requested.

The obviousness rejection based on DeTore and Kalmus is traversed

Claim 3 was rejected as allegedly being unpatentable over DeTore in view of Kalmus. The obviousness rejection is respectfully overcome because DeTore and Kalmus cannot support a prima facie case of obviousness.

Claim 3 depends on claim 1 and incorporates every limitation thereof. As discussed earlier, DeTore fails to teach every limitation of claim 1, and Kalmus, does not alleviate the deficiencies of DeTore. Accordingly, DeTore and Kalmus, even if combined, do not meet every limitation of claim 1. Therefore, claim 3 is patentable over the combination of DeTore and Kalmus by incorporating all the features from claim 1. Favorable reconsideration of claim 3 is respectfully requested.

The obviousness rejection based on DeTore and Fernholz is traversed

Claims 24-26 were rejected as allegedly being unpatentable over DeTore in view of Fernholz. The obviousness rejection is respectfully overcome because DeTore and Fernholz cannot support a prima facie case of obviousness.

Claim 24, as amended, describes an apparatus comprising a client process for generating and sending a transaction containing an request to transfer assets between accounts, and a rules engine for receiving the transaction from the client process and applying at least one user configurable rule to the transaction. The at least one user configurable rule includes at least one rule with user configurable scope of application, or at least one rule with a user configurable outcome. At least one execution process is provided for receiving the request from the rules engine and for transferring assets as requested, when application of rules by the rules engine results in an approved outcome.

In contrast, as discussed earlier relative to claim 1, DeTore fails to disclose a rules engine that applies rules having user-configurable <u>application scope</u> or <u>outcomes</u>. The other cited document, Fernholz, was relied on for its alleged descriptions related to sending instructions to perform balance transfer. Thus, DeTore, even if modified by the alleged feature from Fernholz as asserted in the Office Action, does not meet every limitation of claim 24. Accordingly, claim 24 is patentable over the combination of DeTore and Fernholz. Favorable reconsideration of claim 24 is respectfully requested.

Claims 25 and 26 depend on claim 24 and incorporate every limitation thereof. Consequently, claims 25 and 26 also are patentable over DeTore and Fernholz by virtue of their dependencies and based on their own merits. Favorable reconsideration of claims 25 and 26 is respectfully requested.

The objection to claims 16 and 17 is addressed

Claims 16 and 17 were objected for inappropriate dependencies. By this Response, claims 16 and 17 are amended to provide proper dependencies. It is submitted that claims 16 and 17 are now in appropriate form.

CONCLUSION

For the reasons given above, Applicants believe that this application is conditioned for allowance and Applicants request that the Examiner give the application favorable consideration and permit it to issue as a patent. However, if the Examiner believes that the application can be put in even better condition for allowance, the Examiner is invited to contact Applicants' representatives listed below.

To the extent necessary, a petition for an extension of time under 37 C.F.R. 1.136 is hereby made. Please charge any shortage in fees due in connection with the filing of this paper, including extension of time fees, to **Deposit Account 500417** and please credit any excess fees to such deposit account.

Respectfully submitted,

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